



SMALL BUSINESS ADMINISTRATION

Delegations of Authority

AGENCY: U.S. Small Business Administration.

ACTION: Notice of delegations of authority.

SUMMARY: This document provides the public notice of the delegations of authority for activities related to loans guaranteed under the Paycheck Protection Program (PPP) by the Administrator of the Small Business Administration (SBA) to the Associate Administrator for the Office of Capital Access (AA/OCA) and the redelegation of certain authority related to PPP loan activities to the Director of the Office of Financial Program Operations (OFPO) in the OCA, certain employees of OFPO, and an OCA Committee. In addition, this document provides the public notice of the delegations of authority for certain activities related to Coronavirus Disease 2019 (COVID-19) Economic Injury Disaster Loans (EIDLs) and EIDL Advances by the Administrator to the AA/OCA.

SUPPLEMENTARY INFORMATION: This document provides the public notice of the Administrator's delegations of authority with respect to the temporary 7(a) loan program titled the "Paycheck Protection Program" (PPP) under sections 7(a)(36), 7(a)(37), and 7A of the Small Business Act (15 U.S.C. 636(a)(36) and (37); 15 U.S.C. 636m) to the AA/OCA. Specifically, the delegation of authority related to SBA's review of PPP loans and final SBA loan review decisions, as well as the servicing, liquidation, and guaranty purchase of PPP loans. The delegation of authority related to guaranty purchases of PPP loans is consistent with the delegation of authority published at 68 FR 51048 (August 25, 2003) for guaranty purchases of other 7(a) loans. This document also provides that certain authority for PPP loan activities delegated to the AA/OCA is redelegated to the OFPO Director, certain OFPO employees, and to an OCA Committee. Finally, notwithstanding the Delegation of Authority No. 12-D, Revision 3 (58 FR

57891), which sets forth the authority delegated by the Administrator to the Assistant Administrator for Disaster Assistance for the purpose of administering SBA's Disaster Assistance Programs, this document provides the public notice of the Administrator's delegation of authority to the AA/OCA for certain activities related to SBA's Coronavirus Disease 2019 (COVID-19) Economic Injury Disaster Loans (COVID EIDLs) and EIDL Advances, including Targeted EIDL Advances and Supplemental Targeted Advances. All other delegations of authority for the purpose of administering SBA's Disaster Assistance Programs, remain as set forth in Delegation of Authority No. 12-D, Revision 3.

Delegation of Authority No. 12-H reads as follows:

Delegation of Authority No. 12-H.

I. The Administrator of the SBA, Isabella Casillas Guzman, pursuant to the authority vested in her by the Small Business Act, 15 U.S.C. 631, as amended, hereby delegates the following authorities related to loan activities of the Paycheck Protection Program (PPP) under sections 7(a)(36), 7(a)(37) and 7A of the Small Business Act, 15 U.S.C. 636(a)(36) and (37) and 15 U.S.C. 636m:

A. To the Associate Administrator for the Office of Capital Access (AA/OCA):

1. Loan Reviews and Decisions:

a. To take any and all action(s) in connection with SBA's review of PPP loans in accordance with the implementing guidance for the PPP issued by SBA and the Department of the Treasury, including but not limited to interim final rules, final rules, frequently asked questions, SBA notices, and official SBA forms, including instructions for those forms (collectively the "PPP requirements").

b. To make all final SBA loan review decisions, including but not limited to, whether the borrower:

i. Was ineligible for the PPP loan;

- ii. Was ineligible for the PPP loan amount received or used the PPP loan proceeds for unauthorized purposes;
- iii. Is ineligible for PPP loan forgiveness in the amount determined by the lender in its full or partial approval decision issued to SBA; and/or
- iv. Is ineligible for PPP loan forgiveness in any amount when the lender has issued a full denial decision to SBA.

2. Servicing, Liquidation, Denial of Liability on a Guaranty on a PPP Loan, and Approve Initiation of Lawsuit to Recover Funds on a PPP Loan:

- a. To determine whether the PPP lender complied with all SBA Loan Program Requirements related to servicing, liquidation, and litigation of its PPP loans, including but not limited to borrowers involved in bankruptcy.
- b. Consistent with the delegation of authority published at 68 FR 51048 (August 25, 2003), to take any and all actions involved in denial of liability on guaranty purchase requests submitted on PPP loans and to approve the initiation of a lawsuit to recover funds on a PPP loan from a PPP lender, including but not limited to recovery of the processing fee paid to a lender that is found guilty of an act of fraud in connection with a PPP loan.
- c. To approve the initiation of a lawsuit to recover funds on a PPP loan from a borrower, including but not limited to recovery of funds from the borrower's shareholder(s), member(s), or partner(s) if the shareholder, member, or partner knowingly used the funds for unauthorized purposes.

3. To amend, suspend, or revoke authority redelegated to any position listed below.

B. The authority delegated to the AA/OCA is redelegated to the Director, Office of Financial Program Operations, as follows:

1. Loan Reviews:

- a. To determine and develop policy and procedures necessary for SBA staff in headquarters and relevant SBA loan centers, as well as applicable contractor staff, to conduct loan review activities related to PPP loans.
- b. To oversee the performance of loan reviews of PPP loans by SBA staff in headquarters and relevant SBA loan centers, as well as applicable contractor staff.

2. Servicing, Liquidation, and Guaranty Purchase of PPP Loans:

- a. To determine and develop policy and procedures necessary for SBA staff in headquarters and relevant SBA loan centers, as well as applicable contractor staff, to conduct servicing, liquidation, and guaranty purchase activities related to PPP loans.
- b. To oversee the performance of servicing, liquidation, and guaranty purchase activities of PPP loans by SBA staff in headquarters and relevant SBA loan centers, as well as applicable contractor staff.

C. The authority delegated to the AA/OCA is redelegated to the specific positions designated herein as follows:

1. Loan Specialists, SBA loan centers:

a. Reviewing Loan Specialist:

- i. To review all documentation submitted by the borrower and lender in connection with a PPP loan and to request additional information from the borrower or lender as necessary to complete the SBA loan review in accordance with PPP requirements.
- ii. To make a recommendation to the Approving Loan Specialist as to whether the borrower was eligible for the PPP loan; was eligible for the PPP loan amount received, or used the PPP loan proceeds for authorized purposes; and/or is eligible for PPP loan forgiveness and in what amount.

b. Approving Loan Specialist:

i. To review and concur with the Reviewing Loan Specialist's recommendation in paragraph 1.a.ii. above and make the final SBA loan review decision, except in the circumstances described in subparagraph b.ii. below.

ii. To escalate to the Higher Authority Review Team all recommendations when:

(1) The Approving Loan Specialist and Reviewing Loan Specialist agree that loan forgiveness will be denied in whole or in part; and

(2) The Approving Loan Specialist does not concur with the Reviewing Loan Specialist's recommendation, including when the Approving Loan Specialist and Reviewing Loan Specialist disagree on the amount of loan forgiveness the borrower is entitled to receive.

2. Higher Authority Review Team:

a. This team will consist of more experienced employees from the SBA loan centers.

b. This team will have the authority to perform Higher Authority Reviews (HAR). This team will also have the authority to make the final SBA loan review decision on all loan reviews escalated to the team unless the HAR team escalates a loan review to the Office of Capital Access Committee in accordance with paragraph 2.c. below. The Higher Authority Review will consist of separate reviews by a Reviewing Loan Specialist and an Approving Loan Specialist.

c. The HAR team, at their discretion, will have the authority, on a case-by-case basis, to escalate a loan review to the Office of Capital Access Committee for the final SBA loan review decision.

3. To the Office of Capital Access (OCA) Committee:

a. This committee will consist of the Director, Office of Financial Assistance (or designee); the Director, Office of Credit Risk Management (or designee); and the career Deputy Associate Administrator (DAA), Office of Capital Access (or designee).

b. The OCA Committee will have the authority to review and make a final SBA loan review decision, upon a majority vote of its members, on all loan reviews that are escalated after the Higher Authority Review.

II. Except for actions involved in the denial of liability on a guaranty purchase request submitted on a PPP loan and the decision to approve the initiation of a lawsuit to recover funds on a PPP loan from a PPP lender or borrower, the authorities delegated herein to the AA/OCA may be re-delegated. All other authority delegated herein to anyone other than the AA/OCA may not be re-delegated, except by the AA/OCA.

III. The Administrator of the SBA, Isabella Casillas Guzman, pursuant to the authority vested in her by the Small Business Act, 15 U.S.C. 631, as amended, hereby delegates the following authorities related to SBA's Coronavirus Disease 2019 (COVID-19) Economic Injury Disaster Loans (COVID EIDLs) under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) and section 1110 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. 116-136), as amended, and EIDL Advances, including Targeted EIDL Advances and Supplemental Targeted Advances under section 1110 of the CARES Act, as amended, section 331 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Pub. L. 116-260), and section 5002 of the American Rescue Plan Act of 2021 (Pub. L. 117-2):

A. To the Associate Administrator for the Office of Capital Access (AA/OCA):

1. To establish and revise policies regarding the eligibility for and processing of COVID EIDL loans and EIDL Advances.

2. To procure supplies or services in support of the COVID EIDL loan and EIDL Advance programs, and in accordance with 41 U.S.C. 4701(a) and (b), as amended, the Federal Acquisition Regulations, SBA regulations, and applicable procurement policies.

3. This authority may not be redelegated.

IV. The authorities delegated to any position indicated herein may be exercised by any SBA employee officially designated as Acting in that position.

V. The authorities delegated herein can only be revoked or amended by the Administrator and in writing.

Authority: 15 U.S.C. 631; 15 U.S.C. 636(a)(36); 15 U.S.C. 636(a)(37); 15 U.S.C. 636(b)(2); 15 U.S.C. 636m; Sec. 1110, Pub. L. 116-136, 134 Stat. 281; Sec. 331, Pub. L. 116-260; and Sec. 5002, Pub. L. 117-2, 135 Stat. 4.

Isabella Casillas Guzman,
Administrator.

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